Manitoba

ANNUAL REPORT

1984

Municipal Employees

Benefits Fund

EIGHTH ANNUAL REPORT

OF THE

MUNICIPAL EMPLOYEES BENEFITS BOARD

To the Honourable Andy Anstett
Minister Responsible for The Municipal Act

We submit the Eighth Annual Report of the Municipal Employees Benefits Board for the year ended December 31, 1984.

HIGHLIGHTS OF 1984

Municipal Pension Plan	1984	1983
Book Value of Investments	$30,224,709	$24,116,494
Employee Contributions	$1,753,556	$1,650,763
Employee Prior Service Payments	$13,889	$16,731
Employer Contributions	$1,753,657	$1,648,621
Pension Payments	$436,151	$364,232
Refund of Contributions & Interest	$244,651	$182,903
Reciprocal Agreement - Transfer In	$34,811	-
Reciprocal Agreement - Transfer Out Employee & Employer Contributions and Interest	$45,832	$16,340
General Expenses	$113,343	$120,699
Participants in Fund	1,840	1,807
Pensioners & Other Recipients	186	155
Terminated Employees	91	85
Employers Participating	247	243

Disability Part of the Pension Plan		
Employers Participating	189	185
Employee Contribution	$130,668	$117,978
Employer Contributions	$130,097	$115,978
Pension Payments	$64,202	$53,357
Refunded LTD Contributions & Interest	$ 9,232	$7,193
Employees in Receipt of Disability Benefits	12	7

Municipal Group Life Insurance Plan		
Employers Participating	206	203
Employee & Employer Contributions	$301,123	$277,321
Death Claims	$184,500	$126,170

Municipality and Employee Participation

A total of 191 municipalities plus 56 quasi-municipal organizations were participating in the Pension Plan as at December 31, 1984. This represents approximately 95% of all Manitoba municipalities. The participating municipalities that have contributing members are listed on the Statement of Pension Contributions of the Provincial Auditor's Report.

There were 164 employees who became members of the Pension Plan in 1984. As at December 31, 1984 there were 1,840 employees participating in the Pension Plan (which includes 50 members who were advised to remain in their prior pension plan but who contribute to the Disability Part of the Pension Plan) versus 1,807 employees participating as at December 31, 1983.

Pension Benefits

During the year covered by this Report, pensions paid totalled $436,151, a net increase of $71,919 over 1983. There were 167 pensioners, 8 beneficiaries of pensioners who died, and 11 spouses of employees who died in service receiving pensions as at December 31, 1984. During 1984, there were 33 new retirements and 2 new automatic 15 year guaranteed pensions payable to the spouses of employees who died in service. The new retirements elected the following pension options:

Pension reducing to one-half at pensioner's death	-
Pension reducing to two-thirds at pensioner's death	15
10 Year Guarantee	2
15 Year Guarantee	4
Lifetime Pension	12
Total	33

Note: The majority of pensioners who elected the lifetime pension were either single or had small pensions due to short service.

Also, as at December 31, 1984, there were 18 members with paid-up pensions.

Effective July 1, 1981, the Municipal Employees Benefits Board approved an additional option to the Pension Plan whereby persons who retire early may receive an advance on their Old Age Security and/or their Canada Pension by"integrating" with their MEBB pension. Persons who retire early and choose to integrate their pension receive approximately the same amount of total pension income both before and after age 65. During 1984, 8 new pensioners chose to integrate their pensions.

Cost-of-Living Adjustment in Pensions

Effective July 1, 1984 a cost-of-living adjustment was paid to eligible pensioners and to beneficiaries receiving pensions in respect of deceased pensioners who retired before July 1, 1983. The adjustment for 1984 was limited to 50% of the 4.5% increase in the Consumer Price Index for 1983 and amounted to 2.25%. The adjustment was calculated whereby each retired employee who was entitled to the full increase would receive 28¢ a month for each year of pensionable service to a maximum of 35 years plus 1.13% of the ordinary lifetime pension.

The increase granted to beneficiaries of retired employees is two-thirds of the increase which would have been granted had the retired employee been alive at the date the increase is granted. The adjustment will be paid for the pensioner's lifetime and two-thirds shall continue for the beneficiary's lifetime.

Refunds

During 1984 there were 88 employees who terminated and received refunds of Pension and LTD contributions and interest amounting to $227,868 whereas in 1983 there were 80 employees who terminated and received refunds of $182,385. The estate of an employee who died received a refund of employee and employer Pension and LTD contributions and interest amounting to $21,397. The estate of a deceased pensioner received a refund of unused pension contributions and interest amounting to $4,618.

At December 31, 1984 there was a total of 14 employees with deferred Manitoba reciprocating pensions based on the best 7 years earnings prior to retirement with the new Manitoba public sector employer.

Recognition of Prior Employment with Manitoba Municipalities

The Municipal Employees Benefits Board also received remittances for prior non-pensionable employment and the reinstatement of prior service from 10 employees in the amount of $13,889 during 1984.

Reciprocal Agreements

Reciprocal agreements permitting the transfer of pension credits between the Municipal Employees Benefits Board and the following pension plan authorities were in effect on December 31, 1984:

Alberta Local Authorities Pension Board
Saskatchewan Municipal Employees Superannuation Commission
Government of Canada - Public Service Pension Plan

	Transfers to MEBB		Transfers from MEBB	
	Number	Amount	Number	Amount
Federal Public Service	1	$4,506	1	$6,833
Alberta Public Service	-	-	-	-
Saskatchewan Municipal Commission	1	$30,305	1	$38,999
Total		$34,811	2	$45,832

Disability Part of the Pension Plan

The Board implemented a Disability Part of the Pension Plan effective June 1, 1981. As at December 31, 1984, there were 189 municipalities and quasi-municipal organizations participating. Employee and employer contributions amounted to $260,765 as at December 31, 1984. There were 12 members in receipt of disability benefits during 1984 and a total of $64,202 was paid out in benefits. As at December 31, 1983, there were 7 members receiving LTD benefits and a total of $53,357 was paid out in benefits.

Investments

A net total of $6,108,215 was invested in 1984 versus $5,272,057 in 1983. Included in 1984 investments were experience credits from prior carriers in the amount of $434,832. Total investments as at December 31, 1984 amounted to $30,224,709 compared to $24,116,494 as at December 31, 1983. Included in the above was a total of $1,265,000 in short-term investments as at December 31, 1984.

The average yield on new bonds purchased by the Municipal Employees Benefits Board was 13.2% in 1984.

The following comparative table illustrates the Fund's investment holdings:

	1984 $ (000's)	1983 $ (000's)	Increase (Decrease) $ (000's)
Bonds:			
Federals & Provincials	4,059	3,552	507
City & Municipal	901	901	-
Corporate	2,028	1,856	172
Pooled Bond Funds	1,801	648	1,153
Calendar Year Funds	4,338	5,164	(826)
	13,127	12,121	1,006
Mortgages			
CMHC Insured	1,582	834	748
Pooled Mortgage Funds	9,022	7,306	1,716
	10,604	8,140	2,464
Short-Term Certificates	1,265	993	272
Equities:			
Common Stock	2,654	1,590	1,064
Petroleum & Natural Gas Interests	225	125	100
	2,879	1,715	1,164
Real Estate	2,689	1,602	1,087
Total before Adjustment accounts	30,564	24,571	5,993

Investments (Cont'd)

An amount of $61,442 was transferred to the Investment Reserve which increased the Reserve to $256,746 as at December 31, 1984.

Actuarial Valuation

The Municipal Act provides for an actuarial report on the financial position of the Fund to be made at the end of each three year period. The valuation as at January 1, 1983, conducted by Turnbull and Turnbull, consulting actuaries, stated that there has been a significant improvement in the financial position of the Fund during the period under review. The Actuarial Report as at January 1, 1983 disclosed an actuarial surplus of $8,232,240.

A summary of the Actuarial Report is included on page 29 of this Annual Report. Copies of the complete Actuarial Report may be obtained by contacting the Municipal Employees Benefits Board Office.

Pension Reform

The Pension Benefits Act of Manitoba was changed in 1983 to incorporate Pension Reform legislation. This Pension Reform legislation applies to all pension plans in Manitoba.

Changes to The Pension Benefits Act effective January 1, 1984:

1. Eligibility and Participation

   All full-time regular employees must participate. Part-time, temporary and seasonal employees must participate after earning one-quarter of the yearly maximum pensionable earnings under the Canada Pension Plan ($23,400 in 1985) in each of two consecutive numerical years; and in any event, all employees must be offered the opportunity to participate.

2. Interest Credited to Participant Accounts

   The rate of interest credited must be based on a rate used by a financial institution. The method used to calculate the interest rate must be consistent from year to year and is subject to the approval of the Superintendent of Pensions.

3. Right to Transfer Commuted Value of Pension Credits

   Employees who at termination are eligible for a paid-up pension may, as an alternative, transfer the commuted value of the benefits in respect of service commencing January 1, 1984, to a locked-in R.R.S.P. or to a new employer's pension plan.

4. Spouse's Benefit At Retirement

   Employees who at the time of retirement have a spouse must select a joint form of pension that at the death of the pensioner provides two-thirds of the pension to the spouse for life. This compulsory pension option may be waived if the employee's spouse completes a spousal waiver form.

5. Division of Pension on Marriage Break-Up

On marriage break-up (includes common-law) pension credits must be divided equally based on the commuted value of the benefits accrued during the time the marriage was in effect.

6. Temporary Suspension, Leave of Absence, Lay-Offs

Temporary suspension, leave of absence or lay-offs, subject to a maximum of 52 weeks, will count as continuity of employment, but will not be used in calculating the amount of any benefit in respect of service after January 1, 1984.

Changes to The Pension Benefits Act effective January 1, 1985:

7. Earlier Protection of Pension Rights

Employees who terminate with 5 or more years' service (2 years after 1990) are subject to 100% compulsory vesting in respect of service after January 1, 1985. Refunds are only permitted if the value of the pension is less than $25 per month.

8. No Discrimination Based on Sex

Unisex tables must be used in the calculation of all benefits.

9. Pre-Retirement Death Benefit

Where an employee having 5 or more years of service dies prior to the commencement of pension payments, a benefit of not less than the commuted value of the pension generated as a result of service after January 1, 1985 must be paid in the form of a lifetime pension to the spouse or dependents, or as a lump sum refund, if there is no spouse or dependents.

10. 50% Test

If the accumulated employee contributions for the benefit after January 1, 1985 have a value in excess of 50% of the commuted value of the benefits, the excess must be refunded to the employee or used to provide additional benefits.

The Board instructed its Actuary to calculate the financial effect of making these Pension Reform changes to The Manitoba Municipal Employees Pension Plan. The Actuary's report was based on data and assumptions used in his actuarial valuation of the Plan as at January 1, 1983. (see page 29). This report indicated that adoption of these changes would increase the liabilities of the Plan by $2,864,100 for present employees.

Information Seminars and Employee Benefit Statements

During 1984 the Municipal Employee Benefits Board conducted eight information seminars on pension and group insurance benefits covering topics such as eligibility, entitlement to benefits, family protection, disability, death, etc. at various locations throughout the province. A presentation on the benefits program was also made at the Annual Convention of the Manitoba Municipal Administrators Association. In addition, the Board conducted a day long pre-retirement planning seminar for employees and their spouses who are approaching retirement. Topics covered included benefit (pension and group insurance) awareness and planning, other financial subjects such as Old Age Security and Canada Pension, Unemployment Insurance, Blue Cross and estate planning, as well as other subjects related to the transition to a retirement lifestyle such as use of leisure time, health, lifestyle adjustments, etc. A pre-retirement package including a Retirement Planning Guide, prepared and printed by the Municipal Employees Benefits Board, is distributed to seminar participants.

The Annual Employee Benefits Statement indicating members' status including contributions, pensionable service, current and projected pension benefits and the amount of group insurance coverage was distributed to each member. In addition, each member received a copy of the prior year's Annual Report.

Group Insurance

A total of 157 municipalities plus 49 quasi-municipal organizations were participating in the Group Insurance Plan as at December 31, 1984. Insurance contributions for 1984 amounted to $301,123 (1983 - $277,321) which consisted of employee contributions of $161,914 (1983 - $149,306) and employer contributions of $139,209 (1983 - $128,015).

There were 6 death claims during 1984 totalling $184,500. In 1983 there were 4 death claims totalling $126,170.

There was $101,397 in the Insurance Reserve as at December 31, 1984 versus $72,905 as at December 31, 1983.

Board Meetings

During the period of this Report, the Board held four meetings plus several sub-committee meetings.

Acknowledgements

The Board is pleased to welcome Mr.E. Greenslade, Mayor of the City of Portage la Prairie and representative of the Manitoba Association of Urban Municipalities and Mr. D. Harms, Reeve of the R. M. of Pembina and representative of the Union of Manitoba Municipalities. The Board acknowledges with respect and appreciation the dedication and contribution made to the Board by Mr. A. Chapman and Mr. D. Fletcher.

The Board thanks the many employees of participating municipalities for their contribution to the administration of the MEBB programs during 1984. The Board also thanks and appreciates the support and dedication of its staff and the staff of the Superannuation Board during the last year.

Attached Statements

We submit the Provincial Auditor's Report and Financial Statements for the year ended December 31, 1984 and a summary of the Actuarial Report as at January 1, 1983.

Respectfully submitted

THE MUNICIPAL EMPLOYEES BENEFITS BOARD

G. D. Forrest, Chairman

Members

E. Greenslade
T. Clark
D. Harms
F. Woodmass

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE MUNICIPAL EMPLOYEE BENEFITS FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to D and Schedules 1 to 4, of The Municipal Employee Benefits Fund for the fiscal year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Assistant Provincial Auditor.

April 11, 1985,
Winnipeg, Manitoba.

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Balance Sheet
as at December 31, 1984
(with 1983 figures for comparison)

ASSETS

THE PENSION FUND

	1984	1983
Cash	$ 3,676	$ 9,967
Account receivable	3,308	-
Employees' and employers' contributions receivable	329,534	352,390
Investments, Schedule 1, Note 1 (a)	30,224,709	24,116,494
Accrued investment income	276,358	231,656
	$30,837,585	$24,710,507

THE INSURANCE FUND

Cash	$ 104,143	$ 76,884
Employees' and employers' contributions accrued, Note 1 (d)	23,922	23,624
Accrued bank interest	921	651
	$ 128,986	$ 101,159
	$30,966,571	$24,811,666

LIABILITIES

THE PENSION FUND

	1984	1983
Accounts payable	$ 11,450	$ 22,017
Fixed income investment reserve, Exhibit D, Note 1 (b)	256,746	195,304
Reserve for present and future pension benefits, Exhibit B	30,569,389	24,493,186
	$30,837,585	$24,710,507

THE INSURANCE FUND

Accounts payable	$ 2,025	$ 3,745
Insurance contributions account, Note 1(d)	25,564	24,509
Reserve for present and future insurance benefits, Exhibit C	101,397	72,905
	$ 128,986	$ 101,159
	$30,966,571	$24,811,666

Exhibit B

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Changes in the Reserve for Present and Future Pension Benefits for the year ended December 31, 1984 (with 1983 figures for comparison)

	1984	1983
Additions:		
Employers' and employees' contributions, Schedule 2	$ 3,816,678	$ 3,552,333
Investment income, Schedule 3	2,732,247	2,409,185
Experience refund re prior carrier, Note 2	434,832	-
Bank and other interest	5,857	6,952
Total additions	6,989,614	5,968,470
Deductions:		
Pension payments	436,151	364,232
Pension payments - long term disability	64,202	53,357
Refunds of contributions and interest, Note 1(c)	253,883	190,096
Payments of contributions and interest to other pension plans	45,832	16,340
Administrative expenses, Schedule 4, Note 3	113,343	120,699
Total deductions	913,411	744,724
Net increase for the year	6,076,203	5,223,746
Balance at beginning of year	24,493,186	19,269,440
Balance at end of year, Exhibit A	$30,569,389	$24,493,186

Exhibit C

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Changes in the Reserve for Present and Future Insurance Benefits for the year ended December 31, 1984 (with 1983 figures for comparison)

	1984	1983
Additions:		
Contributions:		
Employees	$161,914	$149,306
Employers	139,209	128,015
Total contributions	301,123	277,321
Bank interest	9,491	6,899
Total additions	310,614	284,220
Deductions:		
Actuarial fees	3,088	11,010
Premiums to The Prudential Assurance Company Limited	278,904	254,353
Miscellaneous	130	-
Total deductions	282,122	265,363
Net increase for the year	28,492	18,857
Balance at beginning of year	72,905	54,048
Balance at end of year, Exhibit A	$101,397	$ 72,905

Exhibit D

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Changes in the Fixed Income Investment Reserve for the year ended December 31, 1984 (with 1983 figures for comparison)

	1984	1983
Additions:		
Transfer from investment income, Schedule 3	$ 61,442	$ 53,136
Total additions	61,442	53,136
Balance, beginning of year	195,304	142,168
Balance, end of year, Exhibit A	$256,746	$195,304

Schedule 1

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Summary of Investments
as at December 31, 1984

	Par Value	Book Value
Fixed income investments:		
Term deposits	$ 1,265,426	$ 1,265,426
Bonds and debentures:		
Government of Canada	$ 3,835,000	3,708,723
Province of Ontario	100,000	100,000
Province of Saskatchewan	250,000	250,000
Hospitals	250,000	250,000
Municipal Corporations	651,000	651,000
Corporations	2,069,000	2,027,620
	$ 7,155,000	6,987,343
Pooled bond funds (Note 2)		1,800,639
Calendar year funds (Note 2)		4,337,724
Mortgages - National Housing Act (Canada)	$ 1,582,035	1,582,035
Pooled mortgage funds (Note 2)		9,022,166
Unamortized (gains) on disposition		(418,631)
Total fixed income investments at amortized cost, Note 1(a)(i)		24,576,702
Equity investments:		
Pooled equity funds		2,653,839
Petroleum & natural gas investments, shares		225,000
Real estate		
Units of pooled real estate, Note 1(a)(ii)		2,688,588
Unamortized (gains) on disposition		(26,700)
Unrealized appraisal adjustments		107,280
Total equity investments, Note 1(a)(ii)		5,648,007
Total investments, Exhibit A		$30,224,709

Schedule 2
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THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1984

Municipal corporations	Employers' contributions	Employees' contributions	Total
Cities			
Brandon	$400,848	$400,848	$801,696
Flin Flon	61,970	61,970	123,940
Portage la Prairie	66,352	66,352	132,704
Thompson	158,005	158,005	316,010
	687,175	687,175	1,374,350
Local government districts			
Alexander	4,864	4,864	9,728
Alonsa	677	677	1,354
Armstrong	551	551	1,102
Churchill	38,083	38,083	76,166
Consol	1,993	1,993	3,986
Fisher	1,702	1,702	3,404
Gillam	28,881	28,881	57,762
Grahamdale	665	665	1,330
Grand Rapids	3,376	3,376	6,752
Mountain	638	638	1,276
Mystery Lake	15,434	15,434	30,868
Park	494	494	988
Pinawa	18,351	18,351	36,702
Reynolds	710	710	1,420
	116,419	116,419	232,838
Rural municipalities			
Albert	987	987	1,974
Argyle	5,004	5,004	10,008
Arthur	3,088	3,088	6,176
Bifrost	4,271	4,271	8,542
Birtle	3,215	3,215	6,430
Blanshard	1,610	1,610	3,220
Brenda	4,449	4,449	8,898
Brokenhead	5,446	5,446	10,892
Cameron	2,869	2,869	5,738
Subtotal, carried forward	$ 30,939	$ 30,939	$ 61,878

THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1984

Municipal corporations	Employers' Contributions	Employees' Contributions	Total
Subtotal, brought forward	$ 30,939	$ 30,939	$ 61,878
Rural municipalities (cont.)			
Cartier	5,437	5,437	10,874
Clanwilliam	1,348	1,348	2,696
Coldwell	1,736	1,736	3,472
Cornwallis	3,057	3,057	6,114
Daly	2,215	2,215	4,430
Dauphin	7,402	7,402	14,804
De Salaberry	6,166	6,166	12,332
Dufferin	6,866	6,866	13,732
East St. Paul	11,269	11,269	22,538
Edward	4,693	4,693	9,386
Ellice	710	710	1,420
Elton	3,122	3,122	6,244
Eriksdale	1,833	1,833	3,666
Franklin	6,204	6,204	12,408
Gilbert Plains	3,835	3,835	7,670
Gimli	7,154	7,154	14,308
Glenella	748	748	1,496
Glenwood	1,586	1,586	3,172
Grandview	4,531	4,531	9,062
Grey	5,503	5,503	11,006
Hamiota	2,199	2,199	4,398
Hanover	8,515	8,497	17,012
Harrison	2,352	2,352	4,704
Hillsburg	2,116	2,116	4,232
La Broquerie	2,022	2,022	4,044
Lac du Bonnet	7,436	7,436	14,872
Lakeview	1,023	1,023	2,046
Langford	2,748	2,748	5,496
Lansdowne	2,849	2,849	5,698
Lawrence	2,641	2,641	5,282
Lorne	5,803	5,803	11,606
Louise	4,740	4,740	9,480
Macdonald	14,844	14,844	29,688
McCreary	1,259	1,259	2,518
Miniota	3,950	3,950	7,900
Minitonas	4.442	4,442	8,884
Minto	2,396	2,396	4,792
Subtotal, carried forward	$187,689	$187,671	$375,360

Schedule 2
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THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1984

Municipal corporations	Employers' Contributions	Employees' Contributions	Total
Subtotal, brought forward	$187,689	$187,671	$375,360
Rural municipalities (cont.)			
Montcalm	7,435	7,435	14,870
Morris	12,422	12,422	24,844
Morton	1,726	1,726	3,452
Mossey River	2,472	2,472	4,944
North Cypress	5,358	5,358	10,716
North Norfolk	7,140	7,140	14,280
Ochre River	1,630	1,630	3,260
Odanah	1,647	1,647	3,294
Pembina	6,039	6,039	12,078
Pipestone	8,039	8,039	16,078
Portage la Prairie	17,653	17,653	35,306
Rhineland	7,718	7,718	15,436
Ritchot	6,531	6,531	13,062
Riverside	682	682	1,364
Roblin	3,345	3,345	6,690
Rockwood	7,481	7,481	14,962
Roland	4,386	4,386	8,772
Rosedale	3,703	3,703	7,406
Rosser	3,098	3,098	6,196
Russell	588	588	1,176
St. Andrews	10,524	10,524	21,048
Ste. Anne	3,370	3,370	6,740
St. Clements	9,640	9,640	19,280
St. Francois Xavier	552	552	1,104
St. Laurent	1,667	1,589	3,256
Ste. Rose	2,649	2,649	5,298
Saskatchewan	3,421	3,421	6,842
Shellmouth	2,929	2,929	5,858
Shell River	3,882	3,882	7,764
Shoal Lake	794	794	1,588
Sifton	2,122	2,122	4,244
Siglunes	2,212	2,212	4,424
Silver Creek	2,100	2,100	4,200
South Cypress	2,507	2,507	5,014
South Norfolk	1,764	1,764	3,528
Springfield	16,187	16,187	32,374
Subtotal, carried forward	$363,102	$363,006	$726,108

THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1984

Municipal corporations	Employers' Contributions	Employees' Contributions	Total
Subtotal, brought forward	$363,102	$363,006	$726,108
Rural municipalities (cont.)			
Stanley	7,227	7,227	14,454
Strathclair	1,094	1,094	2,188
Strathcona	2,593	2,593	5,186
Swan River	5,247	5,247	10,494
Tache	4,299	4,299	8,598
Thompson	4,944	4,944	9,888
Turtle Mountain	3,339	3,339	6,678
Victoria	3,539	3,539	7,078
Victoria Beach	4,062	4,062	8,124
Wallace	4,947	4,947	9,894
Westbourne	6,912	6,912	13,824
West St. Paul	6,654	6,654	13,308
Whitehead	2,050	2,050	4,100
Whitemouth	2,770	2,770	5,540
Whitewater	1,919	1,919	3,838
Winchester	3,959	3,959	7,918
Woodlands	4,439	4,439	8,878
Woodworth	4,116	4,116	8,232
	437,212	437,116	874,328
Towns			
Altona	14,138	14,138	28,276
Beausejour	9,590	9,590	19,180
Birtle	1,642	1,642	3,284
Boissevain	4,456	4,456	8,912
Carberry	3,416	3,416	6,832
Carman	6,365	6,365	12,730
Dauphin	40,163	40,163	80,326
Deloraine	5,667	5,667	11,334
Emerson	2,441	2,441	4,882
Gimli	6,769	6,769	13,538
Gladstone	2,626	2,626	5,252
Grandview	4,783	4,783	9,566
Killarney	6,262	6,262	12,524
Subtotal, carried forward	$108,318	$108,318	$216,636

THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1984

Municipal corporations	Employers' Contributions	Employees' Contributions	Total
Subtotal, brought forward	$108,318	$108,318	$216,636
Towns (cont.)			
Melita	3,148	3,148	6,296
Minnedosa	11,094	11,094	22,188
Morden	18,610	18,609	37,219
Morris	4,529	4,529	9,058
Neepawa	15,419	15,419	30,838
Rivers	4,212	4,212	8,424
Roblin	7,226	7,226	14,452
Russell	4,546	4,546	9,092
Selkirk	51,553	51,553	103,106
Snow Lake	11,129	11,129	22,258
Souris	8,613	8,613	17,226
Steinbach	21,867	21,867	43,734
Stonewall	6,176	6,176	12,352
Swan River	17,037	17,037	34,074
The Pas	35,558	35,558	71,116
Virden	10,051	10,051	20,102
Winkler	16,473	16,473	32,946
Winnipeg Beach	3,464	3,464	6,928
	359,023	359,022	718,045
Villages			
Arborg	3,222	3,222	6,444
Benito	1,899	1,899	3,798
Binscarth	623	623	1,246
Bowsman	1,326	1,326	2,652
Cartwright	927	927	1,854
Crystal City	1,551	1,551	3,102
Donnottar	5,333	5,333	10,666
Erickson	1,715	1,715	3,430
Gilbert Plains	3,054	3,054	6,108
Glenboro	1,229	1,229	2,458
Gretna	1,489	1,489	2,978
Hamiota	4,972	4,972	9,944
Subtotal, carried forward	$ 27,340	$ 27,340	$ 54,680

THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1984

Municipal corporations	Employers' Contributions	Employees' Contributions	Total
Subtotal, brought forward	$27,340	$27,340	$54,680
Villages (cont.)			
Lac du Bonnet	3,255	3,255	6,510
MacGregor	1,456	1,456	2,912
Manitou	1,616	1,616	3,232
McCreary	661	661	1,322
Minitonas	792	792	1,584
Niverville	3,306	3,306	6,612
Notre Dame de Lourdes	1,505	1,505	3,010
Pilot Mound	1,940	1,940	3,880
Plum Coulee	1,853	1,853	3,706
Powerview	1,684	1,684	3,368
Riverton	426	426	852
Ste. Anne	4,075	4,075	8,150
Ste. Claude	1,440	1,440	2,880
St. Lazare	817	817	1,634
St. Pierre Jolys	1,886	1,886	3,772
Ste. Rose du Lac	1,741	1,741	3,482
Shoal Lake	2,657	2,657	5,314
Somerset	1,632	1,632	3,264
Teulon	2,327	2,327	4,654
Treherne	2,285	2,285	4,570
Waskada	633	633	1,266
Wawanesa	528	528	1,056
Winnipegosis	2,717	2,721	5,438
	68,572	68,576	137,148
Quasi-municipal organizations			
Weed control boards and districts			
Agassiz	936	936	1,872
Argyle-Lorne-Somerset	814	814	1,628
Arthur-Edward	715	715	1,430
Brenda-Winchester	684	684	1,368
Dauphin-Ochre	812	812	1,624
Franklin	857	857	1,714
Gilbert Plains-Grandview	785	785	1,570
Subtotal, carried forward	$ 5,603	$ 5,603	$ 11,206

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions for the year ended December 31, 1984

Quasi-municipal organizations	Employers' Contributions	Employees' Contributions	Total
Subtotal, brought forward	$5,603	$5,603	$11,206
Weed control boards and districts (cont.)			
Glenboro-South Cypress	154	154	308
Louise-Roblin	496	488	984
Macdonald	1,121	1,121	2,242
North Norfolk and District	1,047	1,047	2,094
North Cypress	412	412	824
Pembina-Manitou	927	927	1,854
Pipestone-Albert	880	880	1,760
Red River	808	808	1,616
Rosedale-Langford-Neepawa	748	748	1,496
Selkirk	905	905	1,810
South Central	770	770	1,540
Southeast	1,003	1,003	2,006
Springfield-Tache	987	987	1,974
Stanley-Thompson	939	939	1,878
Stuartburn-Piney	882	882	1,764
Wallace	385	385	770
Whitemouth-Reynolds	486	486	972
	18,553	18,545	37,098
Other			
Boissevain-Morton Regional Library	489	489	978
Boyne Regional Library	549	549	1,098
Brokenhead River Planning District	706	706	1,412
Brokenhead River Regional Library Board	615	615	1,230
Brandon and Area Planning District	6,572	6,572	13,144
Carberry Plains Cemetery	651	651	1,302
Carberry Plains Community Centre Board	866	866	1,732
Carman-Dufferin Recreation Commission	1,861	1,861	3,722
Unincorporated Village District of Cranberry Portage	1,857	1,857	3,714
Subtotal, carried forward	$14,166	$14,166	$28,332

THE MUNICIPAL EMPLOYEE BENEFITS FUND
Statement of Pension Contributions
for the year ended December 31, 1984

Quasi-municipal organizations	Employers' Contributions	Employees' Contributions	Total
Subtotal, brought forward	$ 14,166	$ 14,166	$ 28,332
Other (cont.)			
Cypress Planning District	285	285	570
Dauphin Memorial Community Centre	1,396	1,396	2,792
Flin Flon Recreation Commission	14,003	14,003	28,006
Hamiota Municipal Park Incorporated	714	714	1,428
Jolys Regional Library	507	507	1,014
Manitoba Association of Urban Municipalities	2,431	2,431	4,862
Minnedosa Regional Library	638	638	1,276
Morden-Stanley-Thompson-Winkler Planning District	1,149	1,149	2,298
Municipal Employees Benefits Board	2,361	2,361	4,722
North Cypress-Carberry-Elton Recreation District	651	651	1,302
Neepawa and Area Planning District	505	505	1,010
Reston District Library Board	477	477	954
Selkirk and District Planning Area Board	1,963	1,963	3,926
South Central Regional Library Board	2,312	2,312	4,624
South Interlake Planning District Board	1,823	1,823	3,646
Turtle River Watershed Conservation District #2	2,041	2,041	4,082
Union of Manitoba Municipalities	3,154	3,154	6,308
Western Manitoba Centennial Auditorium	3,178	3,178	6,356
Western Manitoba Regional Library Board	6,584	6,584	13,168
Whitemud Watershed Conservation District #1	5,573	5,573	11,146
Winnipeg River Planning District	792	792	1,584
	66,703	66,703	133,406
Total regular pension contributions carried forward	**$1,753,657**	**$1,753,556**	**$3,507,213**

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Pension Contributions for the year ended December 31, 1984

	Employers' Contributions	Employees' Contributions	Total
Total regular pension contributions, brought forward	$1,753,657	$1,753,556	$3,507,213
Contributions based on prior non-pensionable employment	-	13,889	13,889
Long term disability	130,097	130,668	260,765
Receipts from other pension plans re transfer of employee benefits under reciprocal agreements	17,405	17,406	34,811
Total pension contributions, Exhibit B	$1,901,159	$1,915,519	$3,816,678

Schedule 3

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Investment Income
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Fixed income, Note 1(a)(i)		
Interest	$2,535,364	$2,311,221
Amortization of discounts and premiums	8,046	10,263
Amortization of realized gains Note 1(a)(i)	45,325	48,274
Transfer to fixed income investment reserve, Exhibit D	(61,442)	(53,136)
	2,527,293	2,316,622
Equity income, Note 1(a)(ii)		
Real estate - dividends and interest	114,183	69,379
Partial unrealized appreciation adjustments, net, Note 1(a)(ii)	84,096	23,184
Amortization of realized gains	6,675	-
	204,954	92,563
Total investment income, Exhibit B	$2,732,247	$2,409,185

Schedule 4

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Statement of Administrative Expenses
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Salaries and fringe benefits:		
Salaries - permanent staff	$ 61,570	$ 60,681
Salaries - part-time staff	9,935	5,816
Fringe benefits	6,068	4,793
Health and education tax levy	800	698
	78,373	71,988
Professional fees:		
Actuary	13,598	30,380
Audit	6,350	8,250
Medical consultant	1,700	700
	21,648	39,330
Printing and stationery:		
Printing	1,980	1,671
Stationery and supplies	2,171	849
	4,151	2,520
Other:		
Bank and investments	2,109	2,097
Furniture and fixtures	203	181
Medical examinations	782	75
Seminars and travelling	2,564	2,865
Telephone, postage and delivery	628	1,059
Computer related costs	1,732	-
Miscellaneous	1,153	584
	9,171	6,861
Total administrative expenses, Exhibit B	$113,343	$120,699

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Notes to the Financial Statements
for the year ended December 31, 1984

1. Significant Accounting Policies:

The significant accounting policies are summarized below:

(a) The investment valuation and income measurement policies consist of:

(i) Fixed income investments:

Premiums and discounts of one percent or less of par value are reflected in income in the year of acquisition. All other premiums and discounts are amortized to income on a straight line basis over the term of the investment commencing with the year of acquisition.

Gains or losses on disposition before maturity are amortized to income on a straight line basis over the remaining term of the investment to a maximum of 20 years. The unamortized balances remain as part of the book value of the total investments.

Investment income is reduced annually by 1/4 of 1% of the book value of investments to a maximum of the reserve not exceeding 3% of the book value of the investments and the amount of the reduction is credited to the investment reserve.

(ii) Equity investments:

Equity investments are adjusted annually to reflect one-fifth of any unrealized gains or losses. One-fifth of the difference between market value at year end and the adjusted book value at the end of the preceding year is reflected in income.

One-fifth of any realized gains or losses is reflected in income in the year of disposition. The remaining four-fifths is reflected in the value of the investment assets and amortized to income in equal amounts over the next four years.

(b) Fixed income investment reserve:

The fixed income investment reserve, shown in the Balance Sheet, does not reflect a valuation of the investments, but is maintained to stabilize and even out the investment income.

(c) Refunds:

The Fund's policy is to reflect refunds of employees' contributions on the cash method of accounting.

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Notes to the Financial Statements
for the year ended December 31, 1984

(d) Group Life Insurance:

The Fund has included contributions by employees and participating organizations in the month of December pertaining to coverage for January in its accounts. This is reflected in the financial statements as insurance contributions accrued and is offset by the insurance contributions account.

2. Transfers from Prior Carriers:

The Municipal Employees Benefits Board's actuary has been arranging, on behalf of the Board, for the transfer of funds pertaining to municipal employees prior service from prior carriers for employees who have agreed to have these funds transferred to the Fund. During 1984 an experience rating refund in the amount of $434,832 was transferred from a prior carrier. As at December 31, 1984, transfers have been made amounting to $3,900,889 (1983 - $3,466,057).

The funds transferred remain with prior carriers who are holding them in trust for the Fund in accordance with the terms of the contracts. These contracts provide that the Fund, with minor restrictions, can take complete control of the funds with the following exceptions: one contract may not be terminated until April 1, 1988; one contract reserves the right to limit withdrawals of funds to 25% in any one year of the funds on deposit; and two contracts provide for penalties commencing at 5% and reducing progressively until eliminated by 1986 and 1991. As a result of the transfers, the Board assumes responsibility for the related pension liabilities.

3. Administrative Services:

The Municipal Employees Benefits Board entered into an agreement with The Civil Service Superannuation Board to provide administrative services to The Municipal Employees Benefits Board with regard to its Pension Plan and Group Insurance Plan operations. In accordance with the terms of the agreement, The Municipal Employees Benefits Board reimburses The Civil Service Superannuation Board for the cost of these services. During the year under review, the administrative services reimbursement amounted to $20,322 (1983 - $20,165).

4. Cost-of-living Adjustment in Pensions:

The Municipal Employee Benefits Board approved the partial indexing of pensions effective July 1, 1984, based on the increase in the consumer price index for 1983.

THE MUNICIPAL EMPLOYEE BENEFITS FUND

Notes to the Financial Statements
for the year ended December 31, 1984

5. Actuarial Valuations:

The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with The Municipal Act, an actuarial report on the Fund is required every three years.

The most recent actuarial report on the Pension Fund as at January 1, 1983 disclosed a surplus of $8,232,240 before the reduction of $2,864,100 brought about by pension reform amendments to The Pension Benefits Act of Manitoba. The resulting actuarial surplus is $5,368,140 as of January 1, 1983.

The actuarial report on the Insurance Fund as at January 1, 1983 disclosed a deficit of $623,552. The Actuary, in his report, stated that the existence of a deficit in the Insurance Fund is due to the initial unfunded liability when the Insurance Plan commenced. He also stated that the deficit is decreasing in terms of a percentage of total liabilities. The financial position of the Insurance Fund is expected to improve in the future based on a further improvement in claims experience and higher investment earnings.

6. Insurance Experience Rating:

An experience rating refund is payable by The Prudential Assurance Company Limited to the Board under the following conditions:

(a) when the surplus as determined in accordance with the policy exceeds 50% of premiums paid in the policy year just ended, and/or;

(b) upon termination of the policy.

There was a surplus of $36,169 as at December 31, 1983 (1982 - revised deficit of $46,291, previously reported as $16,015). To ensure that all 1984 death claims are properly accounted for, the Assurance Company reports on the policy position after it has satisfied itself that all late reported death claims have been identified.

Pension Plan for Employees of Participating Municipalities in Manitoba

SUMMARY OF ACTUARIAL REPORT AS AT JANUARY 1ST, 1983

The Municipal Act requires an Actuarial Report on the financial position of the Plan to be made at least once every 3 years.

The latest of these Reports was prepared as at January 1st, 1983, by John A. Turnbull, F.S.A., F.C.I.A., and Louis Ellement, F.S.A., F.C.I.A., of Turnbull and Turnbull, Actuaries for the Plan.

The financial position of the Plan is shown in the Valuation Balance Sheet . For present participants in the Plan, the Valuation Balance Sheet compares:

(a) the present value of the liabilities which the Plan has, in respect of the benefits promised to present participants, and

(b) the present value of the funds available to finance these liabilities as they become due.

The results of the Report are based on a set of assumptions. Assumptions are chosen for each of the factors which will affect the Plan financially in future years. Each assumption is based on relevant past experience. The experience is studied over long enough periods of time to produce reliable information. The experience related to the utilization of benefits is studied over the 6-year period available and experience related to salaries and investments is studied over 20-year periods. If a pronounced trend appears to be developing, allowance is made in the choice of assumptions for a continuation of that trend in the future.

The actual experience during 1980, 1981, and 1982 was added to the experience obtained from previous years to produce the total experience that was used. Where necessary, assumptions used in the previous triennial Actuarial Report were modified to reflect results of this study of the experience.

The results obtained indicate that the Plan has a surplus of $8,232,240 as at January 1st, 1983. This result indicates that there was a further improvement in the financial position of the Plan during 1980, 1981, and 1982. This improvement was due to the actual experience during the 3 years which was more favourable than expected and to changes in assumptions which were made possible by more favourable experience in relevant prior periods.

This improvement occurred even though amendments were made to the Act during the period under review. The disability part of the Plan was introduced effective June 1st, 1981. This amendment is financed by the allocation of contributions made for this purpose equal to 1% of regular earnings. Pension adjustments were granted in 1982, 1983, and 1984 to offset increases in the cost of living after retirement. These increases in pension increased the liabilities by $263,300 as at January 1st, 1980.

The Valuation Balance Sheet as at January 1st, 1983 follows:

Pension Plan for Employees of
Participating Municipalities in Manitoba
Valuation Balance Sheet
as at January 1st, 1983

ASSETS

Invested Assets:		
Fixed Income (amortized cost)	$18,062,293	
Common Stock (cost)	100,000	
Real Estate Equity Units (adjusted cost Note 1)	682,144	
Less: Investment reserve	142,168	$18,702,269
Cash in bank	$ 121,401	
Accrued interest on investments	163,331	
Contributions receivable	329,153	613,885
Value of future payments by employees purchasing credit for prior service		77,300
Value of future contributions expected to be received		
- present employees	$24,197,000	
- Participating Municipalities	24,067,800	48,264,800
TOTAL ASSETS		$67,658,254

LIABILITIES

Value of liabilities in respect of current benefits		
- retirement pensions	$ 2,065,300	
- disability pensions	59,800	
- survivors' pensions	103,700	$ 2,228,800
Value of liabilities in respect of future benefits earned for service to December 31st, 1982		
(a) present employees		
- retirement pensions	$ 9,662,500	
- disability pensions	1,234,700	
- survivors' pensions	777,900	
- deferred pensions	808,000	
- lump-sum payments on death	911,500	
- lump-sum payments on termination	791,400	
(b) former employees		
- deferred pensions	134,700	14,320,700
Value of liabilities in respect of future benefits expected to be earned by present employees for service on and after January 1st, 1983		
- retirement pensions	$28,392,300	
- disability pensions	5,707,100	
- survivors' pensions	2,694,600	
- deferred pensions	2,134,600	
- lump-sum payments on death	1,721,700	
- lump-sum payments on termination	1,338,800	41,989,100
Value of funds to be transferred under reciprocal agreements		30,800
Value of paid-up pensions to be paid under reciprocal agreements		128,100
Value of future payments under reciprocal agreements		213,000
Provision for increases in pensions in 1983 (Note 2)		105,000
Accounts payable (Note 3)		46,714
Provision for future expenses		363,800
TOTAL LIABILITIES		$59,426,014
SURPLUS		$ 8,232,240